

**IN THE SPECIFICATION:**

Replace paragraph [0023] with the following paragraph:

As shown in FIG. 5, the inner wall 20 includes integral raised portions, defining flux recovery features 21, and adjacent recesses 22. Each raised portion 21 is closer to a central axis A than a surface defining each recess 22. A permanent magnet 18 is disposed in each recess 22. In the embodiment, when viewed in section, a generally S-shaped structure 27 (FIG. 5) joins a surface defining the flux recovery feature 21 with a surface defining the adjacent recess 22 so as to provide a smooth, curved transition there-between. This structure facilitates the generally annular configuration of the stator assembly as shown in FIG. 4 thus, advantageously providing an overall package similar to that of the conventional stator assembly shown in FIG. 1. The S-shaped structure 27 also facilitates the flux path ~~top~~ to close so that the flux path is substantially the same as in the conventional motor (~~FIG. 5~~ FIGS. 3 and 6). A two dimensional illustration of the magnetic flux circuit of a Permanent DC motor of the invention is shown in FIG. 7. It is clearly illustrated that although the number of magnets 18 was reduced by half, the magnetic flux path 13 is substantially the same as in a conventional configuration as shown in FIG. 3 and FIG. 6.